

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH
CENTRAL DIVISION

In re:)	
)	
UNITED STATES OF)	
AMERICA,)	
)	
Plaintiff,)	
)	
vs.)	Case No. 2:16-CR-00534
)	
LOUIS DELYNN HANSEN,)	
)	
Defendant.)	
)	
_____)	

BEFORE THE HONORABLE CLARK WADDOUPS

July 10, 2017

Partial Trial Transcript
Trial Testimony of Louis Delynn Hansen

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1 **Salt Lake City, Utah, July 10, 2017**

2 * * * * *

3 (Trial testimony of Delynn Hansen)

4 THE COURT: You are excused and it means you may
5 remain in the courtroom, if you wish.

6 THE WITNESS: Thank you.

7 THE COURT: Defense may call its next witness.

8 MR. MCCAUGHEY: We call Delynn Hansen.

9 THE CLERK: Raise your right hand.

10 **LOUIS DELYNN HANSEN,**

11 called as a witness at the request of the Defendant,

12 having been first duly sworn, was examined

13 and testified as follows:

14 THE WITNESS: Yes.

15 THE CLERK: Please take the witness stand. Please
16 state your name and spell it.

17 THE WITNESS: Louis Delynn Hansen, L-O-U-I-S
18 D-E-L-Y-N-N H-A-N-S-E-N.

19 **DIRECT EXAMINATION**

20 BY MR. MCCAUGHEY:

21 Q. Mr. Hansen, have you ever been arrested?

22 A. No.

23 Q. Have you ever been in trouble with the law?

24 A. No.

25 Q. And --

1 A. I should say not previous to this.

2 Q. Right. I believe you -- in your opening
3 statement you talked about how you got in some financial
4 difficulties with your house?

5 A. Yes.

6 Q. Would you just briefly relay that again to the
7 jury so they can understand?

8 A. My builder made some very costly mistakes that,
9 um, when he was reviewing the blueprints and submitted those
10 for bids, the lumber company he didn't notice when he got
11 the bid back that it did not include all of the big beams
12 for the roof. It is an open house and it has these large
13 beams so there is no supporting walls on the inside so the
14 beams are very big, very expensive, and that was not in the
15 lumber estimate when he got that back. He also made some
16 mistakes on getting estimates on the cement for the home and
17 the windows for the home. And because of those three
18 things, he was way off. He knew about it and didn't tell me
19 and went ahead with the home construction.

20 Q. And so when that home was constructed, um, what
21 happened to the home?

22 A. Well, we moved into it. Um, he pushed the house
23 into sheriff's auction because the money ran out because of
24 the overrun on the lumber, the cement, and the windows, and
25 he hadn't been paid as the contractor. So he came and told

1 me he says nothing personal, I'm just going to push your
2 house into sheriff's auction and you will just go ahead and
3 go to court and you'll save the house and you'll have to pay
4 all of the subs that haven't been paid including me.

5 Q. And so did you end up, excuse me, did you end up
6 losing a lot of money on that house?

7 A. Oh, it -- it cleaned me out. I mean the stress
8 of moving into a new home and then all of a sudden instead
9 of just having the mortgage that you thought you were going
10 to have, now you've got the mortgage, you've got this list
11 of subs that after you've gone to court for three days and
12 the judge says, well, maybe it wasn't your fault but you
13 have got the value from the subs putting that into your home
14 and you need to pay the subs. So I had to pay all of those
15 subs right off the bat.

16 Q. And so also as a result of this losing money on
17 your house and paying these subcontractors, did you -- did
18 you get into debt with the IRS?

19 A. Yeah. Because I had these debts that I was court
20 ordered to pay, and, um, I had made those payments, um, I
21 don't work really good under stress and when stress hits me
22 and I'm self-employed, um, it -- it -- it impacts my
23 business and my business suffered.

24 Q. But during this time, um, did you -- did you try
25 to make payments to the IRS during the --

1 A. I believe I did make some.

2 Q. Okay. Um, did your house -- was your house
3 seized or --

4 A. No, we stayed in it a number of years, and it
5 just -- it just -- things just kept adding up and finally
6 one day I just told my wife I says, you know what, this
7 might have been our dream home but it has become our
8 nightmare house and I says we just need to let it go. And
9 so we -- we had to lose the home and move out and rent.

10 Q. And so eventually you owed somewhere around 300,
11 400,000 to the IRS. How did that happen? What caused that
12 large amount?

13 A. Well, it just -- it just starts with a small
14 amount and then like I said, I was making all these payments
15 to get the subs paid instead of paying the IRS, and then you
16 get a little bit further behind, and then the -- the -- the
17 penalties and interest start tacking on, and you're under
18 stress in your business and so your business starts
19 suffering because you're so distracted with your current
20 problems, and so all of a sudden it goes from 50,000 to
21 75,000 to 100. And the higher it goes boy, the interest
22 starts tacking on lickety-split because it's a percentage of
23 what is owed. And the next thing you know, you're 150,000,
24 200,000, 300,000, and then you just can't believe it and you
25 just go, how am I ever going to dig out of this hole.

1 Q. And you tried to?

2 A. Oh, I did. I mean you can see, um, Friday --

3 Q. Well you tried?

4 A. The payments that were made continuously.

5 Q. But you tried at first by going to Berkshire
6 Capital?

7 A. Yes, I -- I had tried Berkshire --

8 Q. Tell us a little bit about that?

9 A. Um, I can't remember how I found them, but, um,
10 probably through e-mail I was contacted. They usually see
11 who has got tax liens and they contact people. So, um, I
12 went ahead and got back in touch with them and they says hey
13 we can -- we can reduce how much you owe them and then we
14 can get you on a payment plan that is affordable and take
15 care of this debt. I says that sounds good.

16 Q. About when was that, about what year, do you
17 recall?

18 A. Oh, I don't recall the date.

19 Q. Okay. It was whatever date that the gentleman
20 from Berkshire Capital testified to?

21 A. Yeah.

22 Q. Okay. And you did pay them a retainer to do
23 that?

24 A. I did. I paid them about \$6,200.00 and 6,250 I
25 think it was.

1 Q. Okay. And what was the result of Berkshire
2 Capital? What did they eventually do as far as a payment
3 plan or reducing your taxes?

4 A. Well, this went on for a while and then all of a
5 sudden one day I remember getting an e-mail from them and
6 they had previously told me, well, we can probably work the
7 payments of about 4,000 a month. I says oh, I could
8 probably handle that. Then came the e-mail that told me
9 okay, we're ready to submit this to the IRS, um, we have
10 talked to them, and they want \$50,000.00 down and then
11 \$4,000.00 a month.

12 Q. Was that possible for you?

13 A. Oh my gosh, who has got \$50,000.00 laying around?
14 I didn't. And I told him there's no way I can do this. And
15 I asked him how come nobody ever bothered to ask me what I
16 could afford to put down but they didn't. So that deal
17 didn't amount to anything.

18 Q. So somewhere during this -- about this same time
19 period you went to some seminars, right?

20 A. I did.

21 Q. And do you recall how many seminars you went to?

22 A. We, my wife and I, went to two of them. One in
23 Kissimmee, Florida and one in Las Vegas.

24 Q. And you went to those seminars to try to help
25 you -- you thought there might be a way to resolve your tax

1 problems through these seminars?

2 A. When we went to the -- we had talked to two
3 people who had attended a seminar from the same people in
4 Provo, and so we went and flew out to Florida, saw our
5 daughter and grand kids and then attended the seminar. And
6 I met people there that said that they had debts with the
7 IRS anywhere from a few thousand to over a million dollars.

8 MR. KAMEROS: Objection, hearsay, Your Honor.

9 THE WITNESS: This is just my experience.

10 MR. KAMEROS: I think he was testifying as to what he
11 was told.

12 MR. MCCAUGHEY: We're not offering it for the truth,
13 just what he heard at the seminars.

14 THE COURT: Again, I'm going to overrule the
15 objection. Again, members of the jury, what he's relating
16 that he was told by other people is not offered and you may
17 not consider it for whether or not it was true. It's simply
18 offered for the fact that he was told this and you can take
19 that into account in terms of considering what Mr. Hansen's
20 state of mind was at the time the events occurred that
21 you're going to make a decision on.

22 Q. (By Mr. McCaughey) So when you were trying to
23 resolve this problem by going to the seminars, how many
24 seminars did you go to?

25 A. Two. Um, the one in Kissimmee was smaller, maybe

1 100 people there. The one in Las Vegas had about 500 people
2 there.

3 Q. And did it cost you money to go to these
4 seminars?

5 A. Oh, it did.

6 Q. Do you recall how much you paid?

7 A. Oh, a few hundred dollars.

8 Q. Okay. And how long were each of these seminars,
9 do you remember?

10 A. Um, all day.

11 Q. And did they give you materials or was it --

12 A. They gave us some printed materials, yes.

13 Q. And what -- what was the basic gist of what they
14 told you as to how to resolve your tax problem?

15 A. Um, basically setting off debt that we would use
16 a closed account that stays open on the bank side for setoff
17 and discharge, and we -- they showed us in the booklet of
18 how to prepare these, putting certain information on the
19 front like EFT for -- "EFT only for discharge of debt," and
20 then what to do on the back, um, including under the
21 signature line "without recourse" which means if this is
22 submitted that -- that we're not held liable if they do not
23 get payment. Um, we did all of those things.

24 Q. And did they -- was it explained to you that it
25 had worked for other people?

1 A. At the seminar in Las Vegas that had 500 people
2 in attendance, they had told people in advance if you wanted
3 to come up on stage and just briefly in a matter of a few
4 seconds tell your success stories you could. And there were
5 a lot of people that got up and told success of having IRS
6 paid off, homes paid off, cars paid off. I found it very
7 exciting.

8 Q. Do they explain to you what -- why you -- why you
9 used a closed account?

10 A. Because it stays open on the bank side for
11 setoff.

12 Q. Okay. So you didn't use a closed account to try
13 to defraud the IRS?

14 A. No, it was just that was the mechanism they
15 instructed us to use.

16 Q. Can you bring up Exhibit 125. So this exhibit
17 that has been talked about a lot during this trial, you were
18 the one that filled this exhibit, this check out, right?

19 A. Yes, I am the one that filled out the EFT.

20 Q. Okay. And you did that according to what you
21 were told to do at the seminar, right?

22 A. Correct.

23 Q. Did you add anything of your own volition on
24 here?

25 A. No.

1 Q. Okay. And this closed account is made out in --
2 this closed account is someone else's name, Cody Hansen,
3 your son?

4 A. Yes.

5 Q. Why did you use Cody Hansen's check on a closed
6 account?

7 A. I did not have a closed account and I wanted to
8 hurry and get this done. And he just offered why don't you
9 just use my closed account rather than an open one.

10 Q. So you did it with his knowledge?

11 A. Uh-huh (affirmative).

12 Q. And he was fine with that?

13 A. He was fine.

14 Q. Okay. And the way it is on the back or on the
15 front of the EFT "for discharge only of debt only" and then
16 "the nonrecourse", that was all put on you because of what
17 you were taught at the seminar?

18 A. Correct.

19 Q. Did you have any intent to defraud the IRS?

20 A. No. All I wanted was -- I just wanted to get out
21 from underneath the debt that I owed the IRS. And as I went
22 to the two seminars and talked to people that had success, I
23 -- I -- I says this is pretty crazy but they're saying it
24 works and I wanted something that worked that would get rid
25 of the debt that I owed the IRS.

1 Q. And the sticky notes that you attached to each
2 one of those EFTs that you sent in, that was pursuant to the
3 instruction of the seminar?

4 A. Yeah. That just instructed the bank how to
5 properly put those into the night deposit and run them as a
6 one -- one-way reverse transfer.

7 Q. Okay. Now, you sent these EFTs into the IRS, how
8 many did you send in?

9 A. Initially I sent one through another friend of
10 mine that had attended a seminar in Provo and he had a
11 closed account at Zions Bank. We put that through and only
12 after some time much later did I find that it was not
13 submitted into the bank for processing. We -- that's one of
14 the checks or the EFTs that we saw here on the screen and it
15 was not processed.

16 Q. Okay. But then you sent in some more EFTs,
17 right?

18 A. Um, when it came time at the end of the year to
19 submit my 1040, um, Revenue Officer Darla Black said I want
20 you to send the 1040 to me and send me the --

21 MR. KAMEROS: Objection, can we have some foundation,
22 Your Honor? Darla Black was not part of this case until way
23 after those checks were submitted.

24 THE COURT: Sustained. You need to establish the time
25 frames.

1 Q. (By Mr. McCaughey) So any way, let's get to the
2 8 or 9 or 10, 11 EFTs that you sent in?

3 A. Okay.

4 Q. How many did you send in total?

5 A. Um, 13.

6 Q. Huh?

7 A. 13. It has been said that I did 10, but I
8 actually did 13.

9 Q. Okay. And why did you send in 13 and you know --
10 let me withdraw that. Were they all for the \$425,000.00?

11 A. No. The first one -- the first one through Zions
12 Bank was for the exact amount of 300 something thousand
13 dollars. The second one was \$81,866.00. That went with my
14 1040 to -- and sent into Darla Black. And then the -- the
15 rest of them, the 11 of them, because I never heard anything
16 back from the first one that I sent through Zions Bank, um,
17 I just gave it some thought and I remember someone telling
18 me IRS doesn't always take these, um --

19 Q. When you say?

20 A. -- you might want to send a few at a time out to
21 different payment centers for the IRS.

22 Q. When you say someone else told you that, someone
23 else where?

24 A. Somebody at the seminar that had experience using
25 these. So instead of just doing a few I says you know what,

1 I would really like this taken care of as quick as possible.
2 So, um, I looked on the website of the IRS, they had 11
3 payment centers. I duplicated the process 11 times sending
4 one out to each payment center for \$425,000.00.

5 Q. Okay. And was that -- was there any intent on
6 your part to do that in order to generate a refund to you?

7 A. No. I just wanted one to go through. And, um,
8 this was what we were told about refunds. If -- if they --

9 Q. You said you were told?

10 A. We were told at the seminars that if we received
11 a refund, do not cash it. Keep it, that is your proof that
12 the EFT was accepted and processed and setoff the debt.

13 Q. So this was in no way an attempt to get the
14 IRS --

15 A. No, I never --

16 Q. -- to send you a refund?

17 (Whereupon, the reporter asked the attorney and
18 witness not to speak on top of each other.)

19 THE WITNESS: Oh, sorry.

20 Q. (By Mr. McCaughey) So this was in no way an
21 attempt by you to get the IRS to send you a refund by
22 mistake?

23 A. No. I was not looking for a refund. If they
24 sent me a refund check, I planned to hold on to it as my
25 proof that it was accepted by the IRS and my debt with them

1 was discharged.

2 Q. Okay. And you have heard your wife and also the
3 other witness testify about the conversations with Cierra
4 Young about posting and clearing?

5 A. Yes.

6 Q. You were present during that one conversation
7 with you, your wife, and Cierra Young, right?

8 A. My wife had multiple conversations and then she
9 came home from Mr. Paxman's office and said we talked to
10 Cierra West -- or Cierra Young and she said that these
11 posted and cleared the bank. And, um, I says I would like
12 to hear that. So a few weeks later we got on the phone and
13 called her and I heard it from her own mouth these posted
14 and cleared.

15 Q. You wanted to hear that because you were
16 concerned about your debt to the IRS being paid, right?

17 A. Correct.

18 Q. So these checks were basically, most of them not
19 all of them, but the eight of them, I think, or nine, were
20 basically on a Chase Bank account, right?

21 A. Um, 12 of them were.

22 Q. Okay. And the ones that eventually the testimony
23 has been that they did not clear the bank?

24 A. Um, there was eight -- there was nine of them
25 that were sent out and they did not submit them for

1 processing.

2 Q. Okay. And the other four, at least the IRS has
3 testified they didn't get money from the four of these
4 checks?

5 A. The five, the four for 425 and the one for
6 81,866.

7 Q. Okay. And did anybody contact you from Chase
8 Bank saying hey these checks or EFTs did not go through,
9 they're on closed accounts? Did anybody from Chase Bank
10 contact you?

11 A. No. Here is the interesting thing. If you tally
12 up all of the those amounts that I sent out, those 13 EFTs,
13 they tally over \$4,000,000. If you read in the newspaper,
14 people that write bad checks for 25, 50, \$100.00, they write
15 just a few of them and my gosh the police are after them.
16 Um, I wrote 13 EFTs to the tune of over \$4,000,000 and I
17 never once had the bank contact me, the FBI contact me, the
18 local police, no one contacted me. I found that very
19 strange if I had done something wrong but I hadn't.

20 Q. Is it your understanding that EFTs are a valid
21 way to pay a debt?

22 A. Well, um, I was told by Revenue Officer Yvonne
23 Poulsen, in the presence of Darla Black in her office, that
24 she told me that EFTs at one time were accepted by the IRS
25 but they don't accept them any more. So they were valid at

1 one time, she's saying, and I don't know when they changed
2 that policy, but that's what I was told.

3 Q. But sort of in summarizing, everything you did in
4 this case here to pay the IRS off, was you were trying to
5 implement what you learned at the seminar?

6 A. Correct.

7 Q. You had no intent to defraud the IRS, did you?

8 A. No, I wanted just to pay them.

9 Q. And, in fact, you kept paying -- I think the
10 evidence was you paid in 2011, 2013, 2014 you're still
11 paying the IRS?

12 A. I was.

13 Q. You still are, aren't you?

14 A. Yeah.

15 MR. MCCAUGHEY: That's all.

16 THE COURT: Cross-examination?

17 MR. KAMEROS: Thank you, Your Honor.

18 **CROSS-EXAMINATION**

19 BY MR. KAMEROS:

20 Q. Good afternoon, Mr. Hansen.

21 A. Hi. How are you?

22 Q. So I may cover some of the material you have
23 already discussed with your attorney, I apologize if this is
24 a little bit redundant, my understanding is that during the
25 years 2005 through roughly 2012 you were a chiropractor and

1 then you were in the health supplement business?

2 A. I was a chiropractor up until my mother died in
3 2010. When she died, my father was 88 years of age, was
4 just starting to have the beginnings of dementia, and I
5 opted to quit practice and take care of my father during the
6 day at his home.

7 Q. And each of the years that we're talking about in
8 this case, 2005 through 2012, you earned income from your
9 businesses and you filed federal income tax returns,
10 correct?

11 A. I did.

12 Q. And those returns accurately recorded your income
13 and your expenses and your tax liability, right?

14 A. I believe they did.

15 Q. And you actually paid some of the tax that was
16 reported as due on those returns, right?

17 A. Yes.

18 Q. And when you paid those taxes to the IRS, they
19 were drawn on checks, they were checks drawn on your own
20 personal accounts, correct?

21 A. On my business accounts through Wells Fargo Bank.

22 Q. And we have seen some of those checks in evidence
23 today, right?

24 A. Yes.

25 Q. And both of those accounts that you used to write

1 checks to the IRS, or the one account, it was open at the
2 time you wrote the check?

3 A. The two Wells Fargo accounts that I had were open
4 accounts.

5 Q. And they had funds in them sufficient to cover
6 the checks that you wrote?

7 A. Most of the time they did.

8 Q. Okay. And there were actually payments made to
9 the IRS that we have seen in 2012 and 2013 that were -- that
10 one was a cashier's check and the others were checks drawn
11 on your own personal accounts, right?

12 A. Yes.

13 Q. And that was after you sent the EFT checks to the
14 government, right?

15 A. Yes. Yes.

16 Q. And the reason you wrote those checks is because
17 you knew you still owed the government a lot of money,
18 right?

19 A. Um, I didn't know that for sure but Revenue
20 Officer Darla Black said adamantly, no, your EFTs did not go
21 through.

22 Q. Okay. And you knew that before you met with
23 Darla Black, right?

24 A. Um, I wasn't really certain yet because I had
25 conflicting information. I didn't have any -- usually if

1 you have a bad check, they're returned. I didn't have
2 anything returned, so I thought on one hand, um, I didn't
3 have anything returned saying non-sufficient funds and I
4 mean like anybody else, I've bounced a few checks in my life
5 and I see what they look like, the face, but I didn't get
6 any of those. On one hand, I'm getting Cierra Young said
7 that they posted and cleared the bank, but on the other
8 hand, I'm getting Revenue Officer Darla Black saying oh, no,
9 those -- those weren't any good.

10 Q. Now, you heard the bank witnesses testify about
11 those checks, correct?

12 A. Yes.

13 Q. And they said that they don't return -- first of
14 all they said they don't return checks that are drawn on
15 closed bank accounts. Do you remember them saying that?

16 A. Yes.

17 Q. And moreover, none of those checks had your name
18 on them, did they?

19 A. They did not.

20 Q. They didn't have your address on them?

21 A. They did not. They had my son's.

22 Q. So they had no way to send anything back to
23 you --

24 A. No, they would have been --

25 Q. -- since your address was not on the checks,

1 right?

2 A. They would have been sent to my son.

3 Q. Let me direct your attention to Government
4 Exhibit -- I believe it is 26, and the last page of that
5 exhibit. Maybe I'm at the wrong one. Hang on one second.
6 Exhibit 25, can you pull that up, please? Do you see the
7 document on the screen there?

8 A. I do.

9 Q. Okay. And that has your name on it, correct?

10 A. It does.

11 Q. And this notice was sent to you, is that right?

12 A. Um, I guess so.

13 Q. Okay. And it says that they're rejecting the
14 \$425,000.00 payment because the account was closed, correct?

15 THE COURT: I don't believe this is in evidence.

16 MR. KAMEROS: It is, Your Honor.

17 THE CLERK: It is.

18 THE COURT: It is? Okay. Go ahead, I'm sorry.

19 Q. (By Mr. Kameros) And they're saying there that
20 they're rejecting your \$425,000.00 payment because the
21 account was closed, correct?

22 A. Okay.

23 Q. And the date of the notice there is July 6th of
24 2012, right?

25 A. Okay.

1 Q. So you were notified on July 6th of 2012 by the
2 IRS Fresno Service Center that this check had been rejected
3 because the account was closed?

4 A. Do you have proof of mailing on this? I really
5 don't recall getting this, but do you have proof of mailing?

6 Q. It was -- is your testimony you did not receive
7 this?

8 A. I cannot remember. That's why I'm asking you do
9 you have proof of mailing? Prove it to me that I did
10 receive it.

11 Q. I ask the questions.

12 A. Oh, sorry.

13 Q. Did you receive this or not?

14 A. I can't remember.

15 Q. Okay. Now, you heard the -- or you saw -- you
16 heard from the witness from Wells Fargo Bank and you saw the
17 checks that were drawn on your accounts to pay the mortgage
18 at the house where you lived, correct?

19 A. Yes.

20 Q. And you also tried to pay off your mortgage with
21 one of these checks, didn't you?

22 A. Yes.

23 Q. You wrote a \$225,000.00 check to Bank of America
24 on June 25th of 2012, tried to pay off your mortgage, right?

25 A. Yes.

1 Q. And they rejected that check, didn't they?

2 A. No, they did not.

3 Q. But you paid -- they didn't?

4 A. No.

5 Q. They accepted it?

6 A. No. We got a statement in the mail the next
7 month for payment for the next monthly payment and the
8 mortgage was reduced to under \$2,000.00.

9 Q. But you continued to pay your mortgage, monthly
10 mortgage after that, right?

11 A. They -- they reversed it a number of weeks later,
12 but according to UCC law, you cannot reverse things once
13 they're posted.

14 Q. But you had been continuing to pay your mortgage,
15 right?

16 A. We had been continuing to pay our mortgage
17 because we didn't want to be pushed out of the house and
18 we're still pursuing this legally and, um, the matter is not
19 resolved yet.

20 Q. But the bank -- you knew -- you knew that the
21 bank had rejected that check, correct?

22 A. They rejected it after they accepted it. You
23 can't do that according to banking law.

24 Q. Well, but you knew they had rejected it?

25 A. So we safely went ahead and kept paying it until

1 we could take this to court --

2 Q. And that's another indication --

3 A. -- which we are planning to do.

4 Q. I'm sorry --

5 A. I'm not finished yet. Go ahead.

6 Q. Well, you have to answer my questions and then
7 stop.

8 A. I wasn't finished.

9 Q. That is another indication that you were notified
10 that checks drawn on closed accounts with the word "EFT" on
11 them don't work, correct?

12 A. No, that is not correct.

13 Q. Now --

14 A. When they --

15 Q. You answered my question. Thank you.

16 Now, you have covered some of this in your direct
17 testimony, but you were contacted by someone at Berkshire
18 Capital in early 2011 about tax liens the IRS had on you,
19 correct? Is that right, were you contacted by someone?

20 A. I don't have any tax liens.

21 Q. Well, they contacted you -- why did they contact
22 you then?

23 A. Because of -- I don't know the mechanism of how
24 they can find out that someone owes tax, but I have no
25 liens. I have contacted the State of Utah and they show

1 that I have zero liens on my name.

2 Q. This is back in 2011. Didn't you just testify on
3 direct examination that the folks at Berkshire Capital
4 contacted you because they found out that you had IRS tax
5 liens?

6 MR. MCCAUGHEY: Objection, Your Honor, that
7 mischaracterizes his testimony. He didn't testify to that.

8 MR. KAMEROS: Yes, he did.

9 THE COURT: Members of the jury will have to be -- use
10 their recollection of what the testimony was. The objection
11 is overruled.

12 THE WITNESS: I will say that they contacted me
13 because I owed the IRS, not because I had IRS liens.

14 Q. (By Mr. Kameros) And you agreed to hire them to
15 help you resolve your tax debt with the IRS, correct?

16 A. Yes.

17 Q. And you paid them, you said, a retainer of more
18 than \$6,000.00 for that, right?

19 A. Correct.

20 Q. And this was because you knew you owed a
21 substantial amount of tax and you wanted to pay it off,
22 right?

23 A. The IRS says I still owed them money so I went
24 ahead and went forward.

25 Q. And let me step back a second. You testified on

1 direct that the reason you got into all this trouble with
2 the IRS is because you had bills to pay related to your
3 house, correct?

4 A. Correct.

5 Q. So you chose to pay those bills but not your
6 taxes, right?

7 A. Um, because those were pending right then and
8 there.

9 Q. Okay. And you didn't borrow any money to pay
10 those bills, right?

11 A. No.

12 Q. You could have borrowed money though, right?

13 A. No.

14 Q. Why not?

15 A. Because I had just borrowed money, a lot of
16 money, for our building construction loan.

17 Q. And no bank would -- no bank would extend you
18 credit, is that what you're telling us?

19 A. The problem -- because my builder fell 30 feet to
20 the ground off of scaffolding at my home he was in a
21 hospital bed at his home for over four months recovering
22 before he could come back to work.

23 Q. And that's why you couldn't get a loan to pay the
24 contractors so you could also pay your IRS, your tax debt?

25 A. I was overdrawn on that and we extended it out as

1 long as possible.

2 Q. When did this, the construction project, begin?

3 A. Um, I don't recall.

4 Q. This is the bane of your existence and you can't
5 recall the date?

6 A. No, it's the nightmare of my existence.

7 Q. And you have no idea what date it is?

8 A. I cannot remember the exact date, no.

9 Q. So you retained Berkshire Capital to help you
10 with your tax problem, right?

11 A. Correct.

12 Q. And Mr. Gallagher helped you put together a
13 financial statement for that purpose, right?

14 A. Yes.

15 Q. And that was in May of 2011 and you signed that
16 document knowing that that was going to be used to work with
17 the IRS to resolve your tax problems?

18 A. Correct.

19 Q. And then let's see, um, and then in March of --
20 March 7th or 8th you received a Form 4033D from the IRS
21 saying that you owed more than \$342,699.00 in taxes,
22 penalties, and interest, correct?

23 A. Correct.

24 Q. And that's in evidence, Mr. Trebesch talked about
25 sending that letter, correct?

1 A. Yes.

2 Q. And did you tell -- did you call Gallagher to
3 tell him you received this notice?

4 A. No.

5 Q. Oh, and by the way, you testified that you
6 received an e-mail that said that the IRS wanted \$50,000.00
7 from you in order to begin the process of getting you to pay
8 your tax debt, right?

9 A. Darla Black confirmed that in her testimony
10 Monday or Friday.

11 Q. How did she confirm that?

12 A. She said that Mr. Hansen did not go through with
13 that deal on Berkshire Capital because they wanted
14 \$50,000.00 down and he didn't have the money.

15 Q. Where did she get that information from?

16 A. Maybe from me, maybe from them, I don't know.

17 Q. Where is the e-mail?

18 A. I don't know.

19 Q. Did you receive the e-mail that said we need
20 50,000?

21 A. I did.

22 Q. Wouldn't it be important enough for you to pull
23 it off your computer and bring it with you today?

24 A. I get rid of all old e-mail.

25 Q. Did you ask Mr. Gallagher about it when he

1 testified?

2 A. No.

3 Q. Why not?

4 A. Um, he said he did not remember that but Darla
5 Black did.

6 Q. But Darla Black wasn't involved in negotiating
7 your tax problems with the IRS, Mr. Gallagher was?

8 A. Yeah. Darla -- yeah he was and who was he -- who
9 was he talking to to make this deal? The IRS. Darla Black
10 works for the IRS and yet Darla Black confirmed here in
11 testimony on Friday that the deal did not go down because
12 they wanted such a large amount down, \$50,000.00 which I did
13 not have.

14 Q. And that's a mischaracterization of her
15 testimony. Thank you.

16 MR. MCCAUGHEY: Move to strike, Your Honor. That's
17 improper.

18 THE COURT: Yes. I -- you should disregard -- as I
19 have instructed you, the words of counsel are not evidence
20 and you may not consider it for that purpose.

21 Q. (By Mr. Kameros) And then on March 27th you sent
22 Mr. Trebesch a letter saying that you had sent this payment
23 to the IRS to satisfy your tax debt, correct?

24 A. Correct.

25 Q. Um, and the purpose of that was to convince him

1 that you had paid your taxes, to leave him alone, the matter
2 was closed, right?

3 A. It was just to let him know that I had paid that
4 and I was convinced from going to the seminar that this
5 would get rid of my debt.

6 Q. And then, um, on May 4th, 2012, you sent a letter
7 to the IRS again claiming you had paid the 342,699; is that
8 right?

9 A. Since, I didn't get any returned check I was
10 convinced that it did pay.

11 Q. And that's what you wrote in the letter to the
12 IRS?

13 A. Correct.

14 Q. And the reason that you sent this letter is that
15 you wanted to make sure that that amount was credited to
16 your IRS account, right?

17 A. Yes.

18 Q. Now, we heard Mr. Gallagher testify this morning
19 that he spoke to you on March 19th about the communication
20 he had received the letter 1058 that laid out the amounts
21 that you owed for all of those prior years, correct?

22 A. Correct.

23 Q. And you never raised with him during that
24 conversation the fact that you had attended a seminar and
25 were planning on paying your taxes with a check drawn on a

1 closed account, right?

2 A. No.

3 Q. And you understood at that time that
4 Mr. Gallagher was an enrolled agent, correct?

5 A. I really didn't understand that relationship, so
6 no.

7 Q. But you knew that he had expertise in this area,
8 correct?

9 A. Correct.

10 Q. And that's why you hired him?

11 A. I hired him to go ahead and work a deal with the
12 IRS.

13 Q. And you've testified that you sent in a number of
14 other checks drawn on the closed Chase Bank account in your
15 son's name, most of them were sent on June 11th, 2012; is
16 that right?

17 A. 11 of them to all 11 payment centers of the IRS.

18 Q. And you heard Mr. Gallagher testify that he sent
19 you an e-mail in response to your e-mail on June 8th
20 explaining, you know, why you were doing this and he said I
21 have some concerns about it, did he?

22 A. Most people have never heard about this process
23 have concerns.

24 Q. And did you respond to his concerns or not?

25 A. I don't recall.

1 Q. Well, you went ahead and sent all of those checks
2 in three days later so you ignored his concerns, didn't you?

3 A. Possibly. I don't know when I read those e-mails
4 from him.

5 Q. Well, they were -- they're in evidence. You're
6 disputing that you received it?

7 A. Well, receiving it and reading it on another date
8 is two different things.

9 Q. Now, so you -- you testified you were in the
10 chiropractic business for a number of years, correct?

11 A. 33 years.

12 Q. And you had some pretty good years in terms of
13 patients that you saw paying you for your services, right?

14 A. Some years better than others, yes.

15 Q. Right. And when your patients paid you, they
16 paid you with cash sometimes?

17 A. Sometimes.

18 Q. And sometimes with checks drawn on their personal
19 bank accounts, right?

20 A. Or insurance checks.

21 Q. You got paid by insurance companies if they had
22 insurance to cover your services, right?

23 A. Correct.

24 Q. Um, and the checks that you got from them were
25 checks drawn on their own personal bank accounts usually,

1 correct?

2 A. Correct.

3 Q. And most of the time I'm assuming they cleared?

4 A. Yeah, but like anybody else, sometimes they
5 bounce.

6 Q. But these checks were not drawn on closed bank
7 accounts, right?

8 A. No.

9 Q. And they were not EFT checks?

10 A. No.

11 Q. And had one of your patients given you a check
12 drawn on a closed bank account that said EFT on it, would
13 you have accepted it?

14 A. I don't know because I never -- it never
15 happened.

16 Q. Um, so, because it never happened --

17 A. It never happened so I can't even make that
18 decision.

19 Q. And then you were -- later on you were in the
20 health care products business and that was in 2011, 2012,
21 2013, correct?

22 A. Correct.

23 Q. And 2000 you were -- you made pretty good money
24 in 2011, right?

25 A. I had a good year, yeah.

1 Q. And none of those folks paid you with checks
2 drawn on closed accounts with EFT on them, right?

3 A. No.

4 Q. And even after you learned about using EFT drawn
5 on closed accounts to pay debts, would you have -- you
6 wouldn't have accepted checks from your customers drawn on
7 closed accounts, right?

8 A. Um, I don't know. I just never -- never had
9 anybody submit that to me.

10 Q. And what if they had?

11 A. I couldn't say. It never happened.

12 Q. Now, so you talked about going to the seminar and
13 learning about EFTs and how you write a check on a closed
14 account with EFT on it and all of the instructions and
15 everything, correct?

16 A. How you take a check form and convert it to an
17 EFT, yes.

18 Q. And so we agree that when you write a check on a
19 closed bank account, there is no money in that account,
20 right?

21 A. No, you're not writing a check, you're writing an
22 EFT on a closed account.

23 Q. And where does the money come from that goes to
24 the IRS to pay your debt when that check is submitted to the
25 bank? Where does the money come from?

1 A. I have no idea. I just know that it works.

2 Q. Wait. So you don't know where the money comes
3 from, but you're willing to write a check, you're willing to
4 write a check on a closed account to pay a legitimate debt
5 to the IRS, but you don't know where the money comes from?

6 A. My wife can put a key in a car, start the engine,
7 and put it in drive and drive down the street. She has no
8 idea all of the mechanisms, electronically, mechanically how
9 it works. She just knows she does this and it works. I was
10 the same way. I was maybe naive, but I never bothered to
11 ask. When people told me these things worked, I really
12 didn't care how it worked just that it worked.

13 Q. But paying a -- having a tax debt of \$342,000.00,
14 that's a serious matter, isn't it?

15 A. Oh, it is. That's why I was doing something
16 desperate.

17 Q. And paying it off is a serious matter too, right?

18 A. It is.

19 Q. And so, um, and so, but you -- but you wrote a
20 check numerous checks to the IRS not really knowing where
21 the money came from to pay them, right?

22 A. I just know that they worked and nobody ever not
23 any of those people had anybody come after them in law
24 enforcement for doing that.

25 Q. And you never asked Mr. Poulsen about using a

1 check drawn on a closed account to pay your taxes?

2 A. Mr. Poulsen and I never discussed it with him.

3 Q. You never discussed it with Mr. Gallagher,
4 correct?

5 A. No. Well, um, there was some -- some e-mails
6 about that I believe but I don't recall what was said.

7 Q. Well, you sent him an e-mail on June 8th and then
8 he responded I have some concerns about this, correct?

9 A. Yeah, I didn't bring it up to him, he brought it
10 up to me.

11 Q. Well, because he found out that you had submitted
12 a check drawn on a closed bank account?

13 A. Correct.

14 MR. KAMEROS: Can I have one moment, Your Honor?

15 THE COURT: You may.

16 MR. KAMEROS: That's all I have, Your Honor.

17 THE COURT: Any redirect?

18 MR. MCCAUGHEY: Just a couple of questions.

19 **REDIRECT EXAMINATION**

20 BY MR. MCCAUGHEY:

21 Q. Mr. Hansen, do you consider yourself a tax
22 protestor?

23 A. No.

24 Q. Have you filed your taxes every year?

25 A. Yes.

1 Q. And it was your desperation to pay this tax bill?

2 A. It was.

3 Q. That led you to these seminars?

4 A. I wrote a lot of checks over the years and -- and
5 I -- like I say, I contacted Berkshire, I talked to Darla in
6 her office about doing an offer in compromise. I just
7 wanted to get on a payment plan that was affordable that I
8 could just go ahead and pay every month so that they would
9 leave me alone.

10 Q. And you had no intent to defraud the IRS?

11 A. Absolutely not.

12 MR. MCCAUGHEY: That's all.

13 THE COURT: Thank you. You may step down.

14 THE WITNESS: Thank you.

15 THE COURT: Does the defense have additional witnesses
16 to call?

17 MR. MCCAUGHEY: No.

18 THE COURT: Any rebuttal evidence?

19 MR. KAMEROS: No. We have no rebuttal case, Your
20 Honor.

21 THE COURT: All right. That concludes the evidence.

22 Um, members of the jury, this is going to be the closest you
23 will come to being let out of school early for a long time.

24 We are going to excuse you for the rest of the day
25 while I work with the attorneys on the instructions and

1 finalizing the matters we'll need, the evidence. We will
2 give you final instructions tomorrow morning and then we
3 will hear evidence and the case will -- or hear argument and
4 then the case will then be given to you for your
5 deliberation.

6 Again, you have now heard the evidence but you have
7 not yet heard the court's instructions nor have you heard
8 the closing arguments. It is still required that you keep
9 an open mind, that you make no decisions about the issues in
10 this case until it's given to you for deliberation, that you
11 do nothing to investigate, research, or read anything about
12 this case and that you don't talk about this case with
13 anyone. We will see you in the morning at 8:30.

14 THE CLERK: All rise for the jury.

15 (Whereupon, the jury left the courtroom.)

16 THE COURT: You may be seated. If we met at 3:00 to
17 settle the jury instructions would that timeframe work?

18 MR. MCCAUGHEY: 3:00?

19 MR. SUNDWALL: That's fine with the government.

20 MR. KAMEROS: Yes.

21 THE COURT: All right. We will meet in my chambers on
22 the ninth floor so we can sit around the conference room
23 table and work through the instructions. Of course
24 Mr. Hansen will be there together with Mr. McCaughey.
25 Mrs. Hansen, if you would like to be there you're invited to

1 be present.

2 MRS. HANSEN: Thank you.

3 THE COURT: Of course as we did during the jury
4 selection, you will have to let Mr. Hansen or Mr. McCaughey
5 do the talking.

6 MR. KAMEROS: Your Honor, just a brief housekeeping
7 matter. We have a summer law intern who has been assisting
8 us in the jury instruction phase of the case. Would it be
9 possible for him to attend --

10 THE COURT: Sure.

11 MR. SUNDWALL: -- the charging conference.

12 THE COURT: Of course.

13 MR. KAMEROS: Thank you.

14 THE COURT: Sometime between now and tomorrow morning
15 you need to get together with Tracy and verify all of the
16 exhibits that have been received in evidence and then make
17 sure that we have the notebook and the information we're
18 going to provide to the jury agreed upon.

19 Any other issues we should discuss before we
20 re-assemble at 3:00?

21 MR. MCCAUGHEY: Just one second, Your Honor. Do you
22 show 74 being admitted? I may have missed it.

23 MR. KAMEROS: Our records show that it was admitted.

24 THE COURT: Michelle, would you step down and look at
25 Tracy's notebook. She's probably giving the jury some

1 instructions.

2 THE LAW CLERK: Yes, it has been admitted.

3 MR. MCCAUGHEY: It is.

4 THE COURT: Yes, I show it received as well. Okay,
5 anything else? We will be in recess?

6 MR. KAMEROS: Thank you, Your Honor.

7 THE COURT: Wait just a moment. We have a question
8 from the jury. Let me read to you the question and you can
9 discuss how to address it. One of the jurors, not signed,
10 has handed me the following note. "What was the timeframe,
11 paren, dates, close paren, that his home problems start,
12 question mark, so we can see the relevance to his tax
13 problems."

14 MR. KAMEROS: Well, I asked him that question, Your
15 Honor, and he said he didn't know. I don't have any
16 independent evidence of that so I think the answer --

17 THE COURT: Well, I think the evidence is closed and
18 you -- you will have to just argue from the evidence but I
19 wanted you to know that they had raised this question.

20 MR. HANSEN: I would be more than happy to confer with
21 my wife and give you a date. She's seven years younger than
22 me and has a lot better memory.

23 THE COURT: Well --

24 MR. HANSEN: It doesn't matter?

25 THE COURT: Well, I'm not going to give you advice as

1 to how to proceed. You can confer with Mr. McCaughey about
2 how you want to address that issue.

3 MR. HANSEN: Okay.

4 THE COURT: We'll see you at 3:00.

5 (Whereupon, court adjourned for the day at 1:47 p.m.)
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1 STATE OF UTAH)
2)ss
3 COUNTY OF SALT LAKE)

4
5 I, Laura W. Robinson, Certified Shorthand
6 Reporter, Registered Professional Reporter and Notary Public
7 within and for the County of Salt Lake, State of Utah, do
8 hereby certify:

9 That the foregoing proceedings were taken before
10 me at the time and place set forth herein and were taken
11 down by me in shorthand and thereafter transcribed into
12 typewriting under my direction and supervision;

13 That the foregoing pages contain a true and
14 correct transcription of my said shorthand notes so taken.

15 In witness whereof I have subscribed my name
16 this 25th day of July, 2017.

17
18 _____
19 Laura W. Robinson
20 RPR, FCRR, CSR, CP
21
22
23
24
25